

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

November 22, 2010

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.: 10od-174

Oahu

Sale of Lease at Public Auction for Intensive Agriculture or Pasture Purposes,
Waimanalo, Koolaupoko, Oahu, Tax Map Key:(1) 4-1-027:014

REQUEST:

Sale of lease at public auction for intensive agriculture or pasture purposes

LEGAL REFERENCE:

Sections 171-14, -14.5, -16, -17 and other applicable sections of Chapter 171, Hawaii
Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Waimanalo situated at Waimanalo, Koolaupoko, Oahu,
identified by Tax Map Key:(1) 4-1-027:014, as shown on the map labeled Exhibit A.

AREA:

20.395 acres, more or less.

ZONING:

| | |
|----------------------------------|--------------|
| State Land Use District: | Agricultural |
| City and County of Honolulu LUO: | AG-1 |

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

CURRENT USE STATUS:

Encumbered by General Lease No. S-4008, Walter and Evelyn Chong, Trustees, Lessees, for general agriculture purposes. Lease to expire on September 11, 2011; and

Governor's Executive Order No. 2642 setting aside to the Board of Water Supply for water pipeline purposes.

CHARACTER OF USE:

Intensive agriculture or pasture purposes

LEASE TERM:

Thirty (30) years

COMMENCEMENT DATE:

The date of sale if the current occupant is the successful bidder, otherwise, sixty (60) days after the date of sale; provided that if such date is not on the first day of any month, the commencement date shall be the first day of the month following such date; and further provided that the Chairperson may amend the commencement date for good cause.

MINIMUM UPSET ANNUAL RENT:

To be determined by staff or independent appraisal establishing fair market rent, subject to review and approval by the Chairperson.

METHOD OF PAYMENT:

Semi-annual payments, in advance.

RENTAL REOPENINGS:

At the 10th and 20th years of the lease term, by staff or independent appraisal.

PERFORMANCE BOND:

Twice the annual rental amount.

PROPERTY CHARACTERISTICS:

Utilities – Electrical, telephone, and water are available. There is no public waste water system serving the property.

Slope - The property varies from fairly level to sloping/ irregular size lot.
Elevation – from 240 to 400 feet
Rainfall - between 40 and 60 inches
SCS Soil Series - Lolekaa Silt Clay, Pohakupu Silt Clay, Alaeloa Silt Clay
Land Study Bureau - B43, E106, C56
Legal access to property - Staff has verified that there is legal access to the property off Kaulukanu Street
Subdivision – The subject property is a legally subdivided lot.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the "Division of Land Management's Environmental Impact Statement Exemption List", approved by the Environmental Council and dated April 28, 1986, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, that states "Operations, repairs or maintenance of existing structures, facilities. Equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing". See Exemption Notification attached as Exhibit B.

REMARKS:

The subject property was leased on September 12, 1966, for a term of twenty (20) years and subsequently, by Board action dated September 27, 1985, under agenda F-11, the Board approved a twenty-five (25) year extension of the lease to September 11, 2011.

Regularly, staff receives phone inquiries as well as mail inquiries as to the availability of the next public auction for agriculture leases in Waimanalo. Staff understands that an inquiry does not necessarily mean that the person eventually will bid at the public auction. However, it does indicate that there are parties who are interested in leasing State lands for agricultural purposes.

The department has inspected the property during the past few years, which reveals that some portions of the property are relatively steep which would make it difficult to perform any cultivation. Yet there are portions of the property that contains soils and have a topography that would enable the cultivation of crops. Therefore, staff believes that leasing for intensive agriculture or pasture purposes which is consistent with the county zoning is the highest and best uses of the property.

Staff recommends that only one employee dwelling be allowed in the new lease. This provision, is to discourage use of the lands more for residential than true agricultural use.

Presently, General Lease No. S-4008 will expire on September 11, 2011. Staff has inquired with the Lessees regarding their intention of a lease extension pursuant to the statutes, but at the time of writing this submittal, staff had not received any formal request from the Lessees.

In view of the time process involved in the public auction, staff recommends that the Board authorize the public auction. In the event the Lessee obtain any lease extension from the Board, the subject request shall become moot.

As of the writing of this submittal, comments were received from the following government agencies: Department of Hawaiian Home Lands, DLNR Division of Engineering, Commission of Water Resource Management and the City and County of Honolulu, Department of Planning and Permitting, Department of Facility Maintenance, Department of Design and Construction and the Board of Water Supply. All of the above government agencies had no objections.

DLNR Historic Preservation Division (SHPD) had noted that a field inspection, which was conducted by its staff in 1995, recorded the presence of eight (8) stacked stone piles. These piles may potentially be historic properties as they are either the remains of traditional Hawaiian platforms or historic clearing mounds from sugarcane agriculture.

Staff will work with SHPD staff in conducting a site visit in order to more accurately characterize the age, function and significance of these features. If necessary, additional conditions pertaining to the historic properties of the subject parcel will be inserted in the lease.

There are no other pertinent issues or concerns, staff recommends that the Board approve the public auction of the subject property for intensive agriculture or pasture purposes.

RECOMMENDATION: That the Board:

1. Find the area to be an economic unit in terms of the intended use.
2. Find that the subject area is not suitable for hunting, nor will it become so during the term of the lease.
3. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
4. Authorize the sale of a lease at public auction covering the subject area for intensive agriculture or pasture purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - a. The standard terms and conditions of the most current intensive agriculture or pasture general lease form, as may be amended from time to time;

- b. Concurrence by the State Historic Preservation Division;
- c. Within the first three years of the lease term, the land under lease shall be utilized for the purposes for which the lease is sold, all in accordance with a conservation plan approved by the Chairperson;
- d. The lessee is prohibited from using the property as his/her primary residence,
- e. The Lessee shall not place or construct any dwelling unit in excess of one employee dwelling on the premises: provided, further that the employee dwelling unit shall be constructed in accordance with plans and specifications approved by the Chairperson;
- f. Review and approval by the Department of the Attorney General; and
- g. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



Steve Lau
Land Agent

APPROVED FOR SUBMITTAL:



Laura H. Thielen, Chairperson



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| DEPARTMENT OF TAXATION | | |
| PROPERTY ASSESSMENT DIVISION | | |
| TAX MAPS BRANCH | | |
| STATE OF HAWAII | | |
| TAX MAP | | |
| FIRST TAXATION DIVISION | | |
| ZONE | SEC | PLAT |
| 4 | 1 | 27 |

SCALE: 1" = 500 FT.



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
LAND DIVISION**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

November 22, 2010

EXEMPTION NOTIFICATION

regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200, HAR

Project Title: Public Auction for Intensive Agriculture or Pasture Purposes

Project / Reference No.: PSF 10od-174

Project Location: Waimanalo, Koolaupoko, Oahu, TMK (1) 4-1-027:014

Project Description: Public Auction for Intensive Agriculture or Pasture Purposes

Chap. 343 Trigger(s): Use of State Land

Exemption Class No.: In accordance with the "Division of Land Management's Environmental Impact Statement Exemption List", approved by the Environmental Council and dated April 28, 1986, the subject project is considered to be exempt from the preparation of an environmental assessment pursuant to Exemption Class No.1, that states: "Operations, repairs, maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing"

Upon conclusion of the public auction, the new lessee will be conducting similar activities as the current lessee. There will be no change in the use of the land. As such, staff believes that the proposed use would involve negligible or no expansion or change in use of the subject area beyond that previously existing.

Consulted Parties Not applicable

Exemption Item Description
from Agency Exemption List: Not applicable

EXHIBIT "V"

Recommendation: That the Board find this project will probably have minimal or no significant effect on the environment and is presumed to be exempt from the preparation of an environmental assessment.

Laura H. Thielen, Chairperson

Date